

# Ohio National: Solid Financial Strength and Integrity

Now, more than ever, consumers are looking for security, confidence and information. It is important for you to know this: No matter how volatile the financial markets may be, you can continue to place the highest confidence in Ohio National Financial Services.

Our company stands on an extremely strong financial foundation. Furthermore, at its operating and historic core, Ohio National has a conservative investment approach and mutual company heritage which places the highest priority on long-term policyholder value and security.

We seek to earn your trust every day, and we look forward to playing an even larger role for you in the future. As our corporate tag line has stated for many years:

**Life Changes. We'll Be There.**

## Key facts regarding Ohio National

**Strong balance sheet:** Total assets are \$19.5 billion (as of 6/30/08). Total assets under management are \$25.1 billion (as of 6/30/08). Through mid-year 2008, pre-tax operating earnings were up 43 percent compared to mid-year 2007.

In its May 2008 analysis, Standard & Poor's cited Ohio National's "consistently favorable earnings, well-diversified competitive profile, conservative financial and investment risk tolerance, and extremely strong capitalization."

**Zero exposure to Fannie Mae and Freddie Mac:** Ohio National has zero exposure to the preferred or common stocks of Fannie Mae or Freddie Mac. In addition, Ohio National's combined total exposure to Lehman Brothers and AIG is less than ½ of 1 percent of our invested assets.

**Extremely limited subprime and Alt-A mortgage bond exposure:** Only 1.1 percent of Ohio National's total invested assets are placed in subprime mortgage securities. Almost all of this small investment is in older, higher-rated mortgages, with more than 62 percent currently rated AAA. Ohio National's Alt-A bond portfolio has very limited exposure, with more than 95 percent carrying the AAA rating.

Little-to-no losses are expected from these investments. Further, the company has zero credit default swap exposure.

**Conservative investment management:** Ohio National's investment portfolio is primarily fixed income securities, and approximately 91 percent of this portfolio is investment

## Independent ratings reaffirmed in 2008

A+ (Superior) from A. M. Best Company

- based on balance sheet strength, operating performance and business profile
- its second highest ranking of 16 categories

"AA" (Very Strong) from Standard & Poor's

- for financial security characteristics
- its third-highest ranking on a 21-part scale

"A1" from Moody's

- for insurance financial strength
- its fifth-highest ranking on a 21-part scale

grade. (Approximately ½ of 1 percent of the investment portfolio consists of common stocks.)

On average, the company has historically outperformed the industry in managing investment risk. Additionally, since 1985, the company has used a sophisticated system of analyzing asset and liability cash flows, particularly for those interest-sensitive products with cash flows most strongly influenced by the investment markets.

**Very strong capitalization:** Total equity, excluding SFAS 115, (as of 6/30/08) is \$1.5 billion – an increase of 11 percent over the same time period in 2007. Ohio National's capital levels continue to be among the strongest of any company its size – the company's percentage of total surplus and asset valuation reserve is 35 percent greater than the average of the largest 25 U.S. life insurance companies.\*

"Ohio National's financial management philosophy is conservative," according to the Standard & Poor's May 2008 report. "Capitalization is maintained at high levels, and the balance sheet is strong."

**Mutual company heritage:** Because Ohio National is a mutual insurance holding company, it is not publicly traded. Corporate management is able to focus efforts for the benefit of policyholders and clients, pursuing long-term strategic objectives. Therefore, the company is not subject to short-term thinking or quarterly stock market pressures.

**Summary:** As Ohio National nears the century mark of service in 2009, our balance sheet is extremely strong, our guiding principles are uncompromised, and the corporate commitment to customers and distributors is unwavering.

*(Continued)*

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**For additional information, please review:**

Financial and Strength Profile as of 6/30/08

(Form 1768, Rev. 8-08)

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Report on Subprime and Alt-A Mortgages  
as of 6/30/08

(Form 1770, Rev. 8-08)

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2007 Annual Report to Policyholders

(Form 1303, Rev. 3-08)

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NOT A DEPOSIT	NOT FDIC INSURED
NOT GUARANTEED BY ANY BANK	MAY LOSE VALUE
NOT INSURED BY ANY GOVERNMENT AGENCY	

*Ohio National has received high marks for financial strength and claims-paying ability from major rating agencies; however, such ratings do not refer to the performance of our variable accounts nor imply approval of our variable contracts or their portfolios.*

*Insurance and annuity products issued by The Ohio National Life Insurance Company and Ohio National Life Assurance Corporation. Securities and registered products distributed by Ohio National Equities, Inc., Member FINRA/SIPC, One Financial Way, Cincinnati, OH 45242, 513.794.6100, www.ohionational.com.*

*\* Vital Signs, Version 1.42.0002*